From: Adams, Greg [mailto:GAdams@lacsd.org] **Sent:** Friday, November 20, 2009 2:55 PM

To: Collord, Gary@ARB; Fletcher, Bob@ARB; Mehl, Dave@ARB; Tollstrup, Michael@ARB **Cc:** Green, Sharon; McDannel, Mark; Jackie Kepke (E-mail); Caponi, Frank; John Pastore

(E-mail)

Subject: Comments for RES Concept Outline

Hello Gary, Bob, Dave and Mike:

These comments are submitted on behalf of the Los Angeles County Sanitation Districts (Sanitation Districts). The Sanitation Districts provide environmentally sound, cost-effective wastewater and solid waste management for about 5.7 million people in Los Angeles County. In the process, the Sanitation Districts convert wastes into valued resources such as reclaimed water, useable recycled materials and energy. In 2007, the Sanitation Districts' energy recovery systems, fired mainly on renewable fuels like digester and landfill gas, generated in excess of 127 MW, of which 98 MW were sent to the grid. The Sanitation Districts are thus recognized by the EPA as one of the nation's top 20 "Green Power Partners." We believe that the Renewable Electricity Standard program could provide California with a unique opportunity to productively use all its waste products, most of which are biogenic in nature, if the regulation is properly structured. We believe not a BTU of renewable fuel should be wasted.

While the 127 MW is impressive for a single waste management agency, there is much more potential in California's future to convert renewable residuals to additional electrical power to achieve the goals of the Governor's Executive Order. A recent study by the CEC, for instance, projected that there was about 450 MW of CHP potential within California's wastewater industry if the traditional wastewater substrates were combined with food wastes. We believe that that potential could be realized and substantially more if three things happen: a) certain critical definitions need to be more generally written to increase the opportunity to maximize energy recovery from waste products; b) a tradable RECs market needs to be created quickly; and c) CARB needs to weigh in on local air district restrictions on distributed power.

a) We generally approve of the definition of "biomass" that appears in the CEC Renewable Energy Program Overall Program Guidebook, Second Edition, January 2008, (Document # CEC-300-2007-003-ED2-CMF) but it could be better as it currently excludes the potential renewable energy content of municipal solid waste available to California. We specifically request that CARB modify the definition of "biomass" to include all municipal solid waste-to-energy facilities, similar to the H.R. 2454 (Waxman-Markey) treatment of the subject or better yet, the S.1733 (Kerry-Boxer) treatment of the subject. There is also the fact that this flexible definition only appears in a guidebook and not in a regulation which would provide more certainty, as explained later.

Another definitional issue is "biogas" in the same CEC document that your Concept Outline indirectly references. Biogas must be the result of anaerobic digestion according to that document. This is a very limiting definition and misses the key point that it is the *substrate* that matters and not how the carbon content of the substrate transitions into the gaseous phase. We suggest expanding this definition to encompass the biomass definition already contained in your Low Carbon Fuel Standard (LCFS Modified regulation Order, September 2009) which broadens the definition to include the breakdown of organic material in the absence of oxygen, etc. We are specifically

interested in processes with biosolids, that have not necessarily gone through anaerobic digestion but which if gasified, for instance, could still produce gaseous, renewable fuels.

A third definitional issue is the relative weight of a definition that is contained in a regulation as opposed to one contained in a guidebook or guidance document. We hope, for the sake of the forthcoming regulations, that these two will be treated equally and that definitions contained in regulations will not necessarily trump those contained in guidance documents. If this will not be the case, then the guidance definitions (and our suggestions for modifications to them) should be included in the upcoming RES regulations.

Our fourth definitional issue is that the myriad of definitions of biomass and waste presently contained in California regulations and legislation and guidance is in itself very confusing and that a consolidation of all of these terms in the biofuels and wastes categories is needed to maximize the chances of achieving the goals of the Governor's order.

- b) An unrestricted tradable REC system is critical to achieve the Governor's goals. The Sanitation Districts urge CARB and the PUC to establish the mechanism for tradable RECs (without in-state restrictions such as the 5% cap recently considered by the PUC) as soon as possible. There are many publicly owned wastewater treatment facilities who are engaging in distributed power generation or who could be engaging in distributed generation. In the absence of an approved tradable REC "market", distributed renewable power is not counted toward California's RPS goals. Furthermore, the current system prevents operators from realizing the potential monetary premium that could be available from their potential renewable power generation nor can any agency factor the renewable premium into any forecast planning for new distributed generation facilities.
- c) Local air district restrictions on distributed generation will hinder the ability of California to meet the RES goals. CARB should broker a process between the air districts and potential distributed generators to strike a compromise between criteria pollutant emissions and GHG goals or adjust the goals in the Scoping Plan accordingly.

Thank you for your hard work on this important issue.

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